

Message

From: Karan Gambhir [REDACTED@google.com]
Sent: 1/24/2020 1:34:24 AM
To: George Yousling [REDACTED@google.com]
CC: Lawrence Koh [REDACTED@google.com]
Subject: Re: Riot GVP call 1/23/20 -- Next Steps

EXHIBIT 155

My view here is that this is just a strong negotiation going on. A few thoughts:

- We should not make further concessions - they are getting more than what most devs have got - \$10m in Ads is second highest overall, \$18m in marketing is the highest we have done for any dev in Hug
- GCP credits of 2.5m against a 20m commit is a massive discount for them (making the GCP deal almost at a 35-40% discount - is amazing for a deal of that size)
- If we give 2.5m in credits in year 1, that is essentially them paying zero for GCP in year 1 - Cloud doesn't expect them to spend more than 2m in the first year. Are we sure we want to set this expectations for future refreshes of Hug with Riot?
- We should stand our ground and share the 2 options of a 1 year and a 2 year GVP with the benefits clearly outlined. If the ask is for a 1 year deal only, and the entire 2.5m in credits, I think we should just say no - I do not believe they will walk away from a free \$26m just because of an extra \$1.5m
- I am also strongly opposed to extended credit expiry dates beyond 6 months, as that opens up to a LOT of contagion risk. Most of the large devs have got and are signing up to 2% at expiry of 6 months... opening this up could lead to those like NCSoft and ABK questioning the deal that they were given, despite the massive quants of cash invested by Play

Net net - Hug's objective is to co-invest with developers for mutual benefit - with the latest ask the 'mutual' element seems to be getting vastly imbalanced, and that too only for one year of security for us (which arguably is achieved with the titles pre-regging). We have a great deal extended, and am sure internally Riot recognizes that. I don't think they will walk away if we stand our ground.

Regards,
Karan

On Fri, Jan 24, 2020 at 9:16 AM George Yousling <[REDACTED@google.com]> wrote:
Hi Lawrence,

I know we caught up briefly today, but want to provide you with the full notes from the call today (see below) and sync up on next steps.

- Overall, Brian didn't seem satisfied with the GCP situation -- \$830k credits in year 1 (not surprisingly), so they will likely come back to us shortly with their counter asks (e.g., \$2.5M in year 1 and longer expiry term).
- Currently, Sophie is taking point on seeing what flexibility Cloud will have on going up to \$2.5M in year 1.
- And Karan, Sophie, and I are looking at how/if it would be possible to extend expiry beyond 12-months.

Question: While we wait to hear back from Riot, Karan and I briefly caught up and he made a good point about potentially re-surfacing the 2-year GVP option to Brian if he's not satisfied with the 1-year credits (4.1 which has already been approved) since this would give them the full \$2.5M. Thoughts?

Happy to find time to sync this evening (after 8pm) or anytime tomorrow. Will defer to Lawrence's schedule if he has any openings. Let me know.

Thanks,
George

1/23/20 (Riot <> Google | Advancing GVP discussion)

Internal agenda & talking points [here](#)

Riot Attendees:

- Brian Cho, Head of Corporate & Business Development, Kimberly Master, Strategic Sourcing Director - Technology, Chris Enock, VP of Publishing

Google Attendees:

- George Yousling, Google Play BD, Meg Tucker, Head of Sales, Google Cloud SoCal Enterprise,

Notes:

- Meg reinforced the fact that the 'credit cap' (e.g., \$2.5M against the the \$20M commit for 3 years) was *always* communicated and discussed during the data pipeline negotiations and was eventually instructed to remove it from the GCP contract.
 - *Kim from Riot also admitted that she was aware of those conditions towards the end of the call (but not necessarily that she agreed w/ the cap or happy about it)*
- However, Meg outlined the 1-year scenario and how Riot could apply up to \$830k in GVP credits towards the Data Pipeline commit w/ remainder placed in separate acct avail for other projects.
- Brian was still quite explicit in his position: *"it feels bad b/c the way Play presented GVP was that we could use it together with the other deal"*
- However, working in our favor, Chris Enock was more receptive and felt like the offer was still attractive and usable for Riot. Chris was the most 'solutions-oriented' Riot team member during the call and also gave a helpful summary on the state of the 1-year deal and what they needed to consider / decide on internally.
- I also pointed out that we (Play / One-Google) are unlocking an unprecedented amount of resources / value for Riot (and in the 6-years I have been here I have not seen anything that comes close to this level of support)
- Net-net: Brian will sync on his side and likely come back to us with the ask of \$2.5M in credits for year 1, with a likely a longer credit expiry (e.g., 18 or 24 mons)

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